

C4. CHAPTER 4

COAL CONTRACT ADMINISTRATION

C4.1. GENERAL

C4.1.1. The Defense Energy Support Center (DESC), as the contracting agency for coal products, has contract administration responsibility. Such responsibilities and associated functions relative to coal contract administration are provided herein. Contract administration functions for DESC's contracts may only be delegated to another agency or military unit by the DESC's contracting officer.

C4.1.2. Quality Assurance responsibility at origin (in CONUS) is assigned to the Defense Contract Management Agency (DCMA).

C4.2. QUALITY AND QUANTITY REQUIREMENTS

C4.2.1. Specification requirements are developed by the Military Services and Federal Agencies submitting each item purchased under this program. DESC-BP shall develop contract quality clauses to ensure adequate procedures are developed to protect product quality.

C4.2.2. When a contractor delivers coal from a mine not authorized by the contract, product may be rejected.

C4.2.3. Requests made by contractors to use an alternate mine in performance of contract requirements shall be processed through the contracting office. Alternate mines must be capable of supplying product meeting the installation's specifications. A contract modification is required when an alternate mine is approved.

C4.3. INSPECTION AT SOURCE (ORIGIN). Quality Assurance responsibility is assigned to DCMA. When inspection at source (origin) is required by the contract, DCMA shall assign a quality assurance representative (QAR) to the contractor's facility, laboratory, loading and/or tipple storage location, as required by the contract.

C4.3.1. Contractor. It is the contractor's responsibility to ensure quality; and quantity of coal supplied to the government.

C4.3.2. Quality Assurance at Source. When quality assurance functions are assigned to the source, the [QR](#) shall perform quality assurance in accordance with DoD/DLA regulatory guidance.

C4.3.3. [QR](#). [QRs](#) shall oversee the contractor's quality control operations and ensure that product meets contract quality specifications.

C4.3.4. The DESC Contracting Officer. When a contractor has historically performed acceptably in providing product, the [QR](#) may recommend that the contractor ship under a Certificate of Conformance (COC). This means the contractor may ship coal from the place of performance to the facility without

the QR witnessing the loading or signing of the DD Form 250. DESC-A in coordination with DCMAO will determine whether a COC should be continued.

C4.4. PRODUCT ACCEPTANCE AT DESTINATION

C4.4.1. Product will be unloaded when the following conditions have been met:

C4.4.1.1. It has been determined by visual inspection that the product meets the specification requirements.

C4.4.1.2. For rail car deliveries, DD Form 250 and commercial analytical test report (from the contractor) indicate that contractual obligations and product specifications have been fulfilled. If these documents are not at the receiving unit prior to unloading, promptly notify the contracting officer.

C4.4.1.3. For truck deliveries, DD Form 250 does not have to be available prior to unloading the product. Unloading of the truck will not be delayed because of the absence of the form. The contractor shall provide an analytical test report representing the stockpile from which the coal is being shipped on or before receipt of the first truckload of coal at the base.

C4.4.2. A representative sample may be taken during unloading for laboratory analysis in accordance with the American Society for Testing and Materials, Section 5, Petroleum Products, Lubricants, and Fossil Fuels, Volume 05.06, Gaseous Fuels, Coal and Coke. ASTM test methods to be used are: ASTM-D-2234, Collection of a Gross Sample of Coal and ASTM-D-2013, Standard Method of Preparing Coal Samples for Analysis. Samples collected shall be forwarded to the following Army laboratory:

U.S. Army Petroleum Center
Petroleum Testing Facility-East
ATTN: AMSTA-LC-CJ-PT, Bldg. 85-3
U Avenue
New Cumberland, PA 17070-5005

C4.4.3. The above Army Laboratory shall return a coal analysis test report to the consignee (using location) with copies to DESC-A's contracting officer by e-mail. The consignee shall compare the test report with the contractor's guarantee to calculate credits and debits per delivery. Based on aggregated evidence (contract period), the consignee will assess the contractor a compensation fee (due the using location) if debits exceed credits.

C4.4.4. The Military Services and Federal Agencies that sample the coal shall ensure that all personnel obtaining coal samples are certified as coal samplers or they are under the direct supervision of a certified coal sampler. The Military Services and Federal Agencies shall notify USAPC of training needs to certify samplers. Training costs are to be born by the requesting activity.

C4.4.5. MIL-STD-3004, Quality Surveillance for Fuels, Lubricants, and Related Products, Appendix C, Receipt and Quality Surveillance of Coal, identifies publications and guidance for receiving, sampling, unloading, and documenting coal receipts at customers' facilities. This appendix is not mandatory. It's intended for guidance only.

C4.5. PRODUCT REJECTION AT DESTINATION

C4.5.1. Coal will not be unloaded if visual inspection reveals that it may not meet the minimum quality specification for size or obvious impurities (e.g., slate, rock, dirt, or oxidation). Before the product is sampled, the contracting officer and DESC-BQ must be notified immediately by telephone of the situation. The following information must be provided: name of activity, point of contact at the activity and telephone number, order number the coal was received under, conveyance numbers, contractor, contract number, reason for not unloading (failing characteristics), time and date of receipt, and current status of conveyances (e.g., activity, rail yard, en route, etc.). This will allow the contractor to be notified and given the opportunity to be present during the sampling. A sample shall be obtained and tested for compliance to confirm visual inspection. The samples shall be taken in accordance with ASTM methods. D4749, Standard Test Method for Performing the Sieve Analysis of Coal and Designating Coal Size; and D4915, Standard Practice for Manual Sampling of Coal Tops of Railcars.

C4.5.2. If the product tested is found to be unacceptable, it must not be off-loaded. The DESC contracting officer shall be notified immediately by telephone and informed of the results of product testing. The activity shall confirm the results in writing prior to rejection of the product. When coal is off-loaded, product rejection is more difficult to sustain.

C4.5.3. Only the contracting officer can officially reject or conditionally accept a nonconforming shipment in coordination with DESC-BQ. The contracting officer shall request additional information through normal channels as required. Although acceptance of coal normally passes to the Government when the coal is unloaded, the contracting officer may attempt to obtain monetary consideration from the contractor for unreasonable quality problems (excessive over/undersize coal, impurities, etc.).

C4.6. CONTRACT WAIVERS

C4.6.1. The contractor is obligated to provide the product and service specified in the contract. However, exceptions may be granted for reasons of urgency or economy, subject to equitable price adjustments or other considerations, when acceptable by the installation that developed the product specification.

C4.6.2. The contracting officer shall approve or disapprove all contract and specification waiver proposals. Upon receipt of contractors' waiver requests, the contracting officer shall request that DESC-BQ review the waivers for technical evaluation. DESC-BQ, in coordination with the customer and the respective SCP, shall recommend to the contracting officer that the waivers either be accepted or rejected. Based on DESC-BQ's recommendations, the contracting officer will either deny or a grant waiver. The DESC contracting officer shall be advised of acceptance or rejection of the waiver and circumstances by DESC-BQ as soon as possible, but not later than 24 hours after request. During non-

duty hours, DESC's CORs may grant a waiver. DESC-BQ shall advise the contracting officer, the SCP, and the user of the actions taken no later than the following workday.